

Message Text

LIMITED OFFICIAL USE

PAGE 01 MONTRE 01468 022104Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 /055 W
-----064390 031746Z /64

R 022040Z SEP 77
FM AMCONSUL MONTREAL
TO SECSTATE WASHDC 9397
INFO AMEMBASSY OTTAWA
AMCONSUL QUEBEC
AMCONSUL TORONTO POUCH

LIMITED OFFICIAL USE MONTREAL 1468

E.O. 11652: NA
TAGS: ECON, EINV, CA
SUBJECT: MORE COMPANY MOVES TO ONTARIO

REF: MONTREAL 700

1. FACED WITH DIFFICULTIES IN RECRUITING ENGINEER TO WORK IN QUEBEC, CANADIAN INDUSTRIES LTD. (CIL) HAS ANNOUNCED THAT IT WILL MOVE ITS ENGINEERING DEPARTMENT FROM MONTREAL TO TORONTO. MOVE ENCOMPASSES 150 JOBS AND WILL TAKE PLACE OVER NEXT TWO MONTHS. ENGINEERING DEPARTMENT IS THIRD DIVISION OF CIL, A LARGE PRODUCER OF CHEMICAL PRODUCTS, TO BE TRANSFERRED FROM MONTREAL HEAD OFFICE TO TORONTO. EARLIER THIS SUMMER, CHEMICAL AND PLASTIC DIVISIONS WERE MOVED TO TORONTO (MONTREAL 700).

2. ALONG SAME LINES, CHIEF EXECUTIVE OFFICER OF NEDCO, A MAJOR SUBSIDIARY OF NORTHERN TELECOM, TOLD CONSUL GENERAL THIS MORNING THAT NEDCO HAD REACHED DECISION TO TRANSFER ITS HEAD OFFICE TO TORONTO. INVOLVED IN MOVE ARE 68 JOBS. DECISION REFLECTED DIFFICULTIES IN RECRUITING PERSONNEL FOR QUEBEC, AS WELL AS PROBLEMS ASSOCIATED WITH NEDCO'S PROGRAM
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MONTRE 01468 022104Z

OF HIRING FRANCOPHONES FOR ITS MONTREAL HEAD OFFICE. WHEN FIRM WISHED TO BROADEN TRAINING OF PROMISING FRANCOPHONES, IT FOUND THAT MANY WOULD NOT ACCEPT TRANSFERS OUT OF QUEBEC. COMPANY WAS THEREFORE FACED WITH SITUATION WHERE IT COULD NOT ENTICE TRAINED ANGLOPHONES TO ACCEPT HEAD OFFICE POSITIONS, WHILE ON OTHER HAND FRANCOPHONES RESISTED TRANSFERS FOR NECESSARY TRAINING TO OPERATIONS OUTSIDE QUEBEC.

3. COMMENT: DIFFICULTY IN ATTRACTING PERSONNEL TO QUEBEC HAS BEEN PROBLEM FOR SOME TIME BUT, AS WE HAVE PREVIOUSLY REPORTED, SIUTATION HAS WORSENEED SINCE PQ ELECTION. TREND IS OMINOUS AS BUSINESS FIRMS CANNOT LONG TOLERATE SITUATION WHICH PLACES THEM AT COMPETITIVE DISADVANTAGE IN ATTRACTING HIGH CALIBER PERSONNEL. IN LOOKING AHEAD, BUSINESSMEN SEE FEW SIGNS THAT SITUATION WILL IMPROVE. PQ POSITION ON LABOR SITUATION IS BEING CLOSELY WATCHED, AND APPROVAL OF BILL 45, CONTAINING ANTI-SCAB PROVISIONS, WOULD ADD SIGNIFICANTLY TO LIST OF DISADVANTAGES THAT FIRMS NOW ATTACH TO QUEBEC OPERATIONS. MOREOVER, IT SHOULD BE KEPT IN MIND THAT REASONS FOR WHICH OPERATIONS WERE FIRST LOCATED IN QUEBEC NO LONGER HOLD FOR MANY FIRMS.

4. WE THEREFORE GIVE CREDENCE TO COMMENTS THAT WE OFTEN HEAR IN BUSINESS COMMUNITY THAT MANY FIRMS HAVE MADE DECISIONS TO MOVE PERSONNEL OUT OF QUEBEC AND THAT TREND IS NOW INELUCTABLE. WHAT IS NOT SO WIDELY APPRECIATED IS THAT MUCH OF MOVEMENT IS QUIET. WITH FEW EXCEPTIONS (MOST NOTABLY ROYAL BANK, MONTREAL 265) COMPANIES ARE RELUCTANT TO CALL ATTENTION TO THEIR MOVES. THIS HAS TWO EFFECTS. FIRST, IT MAKES IT IMPOSSIBLE TO GET ANY REAL FIX ON THE NUMBERS INVOLVED. SECONDLY, WHILE THERE ARE RADICALS WITHIN PQ WHO DON'T CARE AND ARE WILLING TO PAY ANY PRICE TO ACHIEVE OBJECTIVES, WE SUSPECT THAT THERE ARE MANY IN PQ WHO ARE NOT REALLY AWARE OF ECONOMIC REPERCUSSIONS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MONTRE 01468 022104Z

OF PARTY POLICIES. BUT, AS TREND CONTINUES, DEPARTURES AND LACK OF OFF SETTING NEW INVESTMENT WILL BECOME MORE EVIDENT, WITH ATTENDANT UNTOWARD EFFECTS ON PSYCHOLOGICAL CLIMATE AND JOB OPPORTUNITIES. HARPER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROVINCE, REORGANIZATIONS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Sent Date: 02-Sep-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MONTRE01468
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770320-0613
Format: TEL
From: MONTREAL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t197709103/aaaadirt.tel
Line Count: 99
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 6097ff38-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 MONTREAL 700
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1071028
Secure: OPEN
Status: NATIVE
Subject: MORE COMPANY MOVES TO ONTARIO
TAGS: ECON, EINV, CA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/6097ff38-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009